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Summary record of the 4th meeting

Held at the Westin Lima Hotel and Convention Center, Lima, on Wednesday, 4 December 2013, at 3.30 p.m.

Chair: Mr. Brennan.....(Ireland)

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The meeting was called to order at 3.08 p.m.

Financial matters

(b) Financial situation of UNIDO (GC.15/14; GC.15/CRP.1)

1. **The Chair** drew attention to the draft decision contained in paragraph 18 of document GC.15/14 concerning unutilized balances of appropriations. He invited comments.

2. **Mr. Choi Kicheon** (Republic of Korea) introduced the following new text for the draft decision, resulting from informal consultations:

"The General Conference:

"(a) Takes note of the distribution of document GC.15/14;

"(b) Underlines the necessity of strictly adhering to the provisions of the UNIDO Financial Regulations;

"(c) Recalls the Industrial Development Board decision entitled 'Programme and budgets, 2014-2015' (IDB.41/Dec.12) and that Member States approved the release of office space in order to reduce €1.2 million in operating costs (IDB.41/5/Add.1);

"(d) Acknowledges the request of the Director General of UNIDO to retain the aforementioned office space in order to strengthen the operations of the Organization;

"(e) Recalls that, according to the provisions of the Financial Regulations of UNIDO, the unutilized balances of appropriations should be returned to the Member States;

"(f) Decides, as an exceptional measure, without setting a precedent for the future work of the Organization, that from the amount of unutilized balances of appropriations due to Member States

in 2014, remaining on 31 December 2013 and voluntarily renounced to the Organization, up to €1.2 million may be utilized to retain the office space in the biennium 2014-2015, if so allocated for this purpose by the Member State voluntarily renouncing its share of unutilized balances;

"(g) Decides also that all funds used to retain the office space shall be limited to the unutilized balances of appropriations due to Member States in 2014, remaining on 31 December 2013 and voluntarily renounced for this purpose by Member States, and shall be managed through a special account established for this purpose;

"(h) Encourages Member States to consider voluntarily renouncing their shares of the unutilized balances of appropriations in order to strengthen the programmes of UNIDO and/or to fund the retention of the aforementioned office space;

"(i) Requests the Director General to report to the Board at its forty-second and forty-third sessions, through the Programme and Budget Committee, on the implementation of the present decision."

3. **The Chair** invited comments on the draft decision.

4. **Mr Uskov** (Russian Federation) said that he particularly welcomed paragraph (b). The principle of strictly adhering to all financial regulations was a very important one.

5. *The draft decision on unutilized balances of appropriations, as revised, was adopted for recommendation to the plenary.*

The meeting rose at 3.25 p.m.